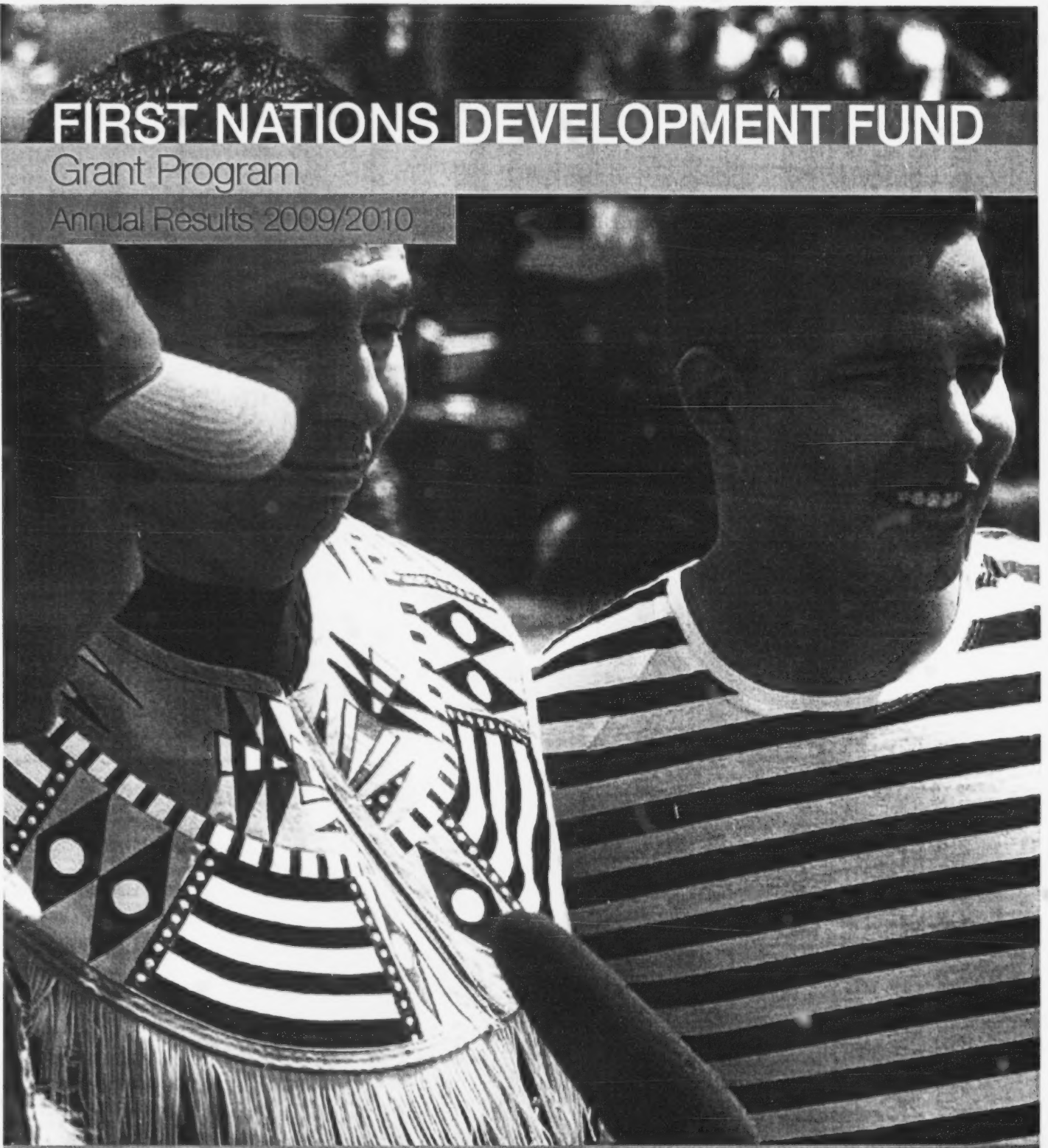




FIRST NATIONS DEVELOPMENT FUND

Grant Program

Annual Results 2009/2010

Government of Alberta ■
Aboriginal Relations

Building Strong Communities

**For additional copies of the *Annual Results*,
please contact:**

Alberta Aboriginal Relations
19th Floor, Commerce Place
10155 - 102 Street
Edmonton, Alberta T5J 4G8

Phone: 780-427-8407

Fax: 780-427-4019

website: www.aboriginal.alberta.ca

To call toll-free from anywhere in Alberta, dial
310-0000.

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MESSAGE FROM THE MINISTER



The First Nations Development Fund (FNDF) Grant Program is an excellent source of support for First Nations' economic, social, and community development projects. First Nation communities across Alberta are accessing FNDF. Thanks to their vision, commitment and great ideas, FNDF is making a positive difference in the lives of First Nations people.

An important feature of the program is that First Nations set their own priorities and oversee the planning and implementation of the funded projects. This ensures that projects reflect the specific needs and interests of individual communities. Since FNDF first began allocating funds in 2006/2007, the results have been encouraging. This report highlights six specific success stories but in 2009/2010 there are over 200 other great examples of First Nations using FNDF funds to plan and implement meaningful projects in their communities. Examples of development projects funded under FNDF include community buildings, roads, business ventures, infrastructure, crime reduction initiatives and culturally-based community supports.

The FNDF will continue to have an important role in supporting social, economic and community development in Alberta First Nations. I look forward to more successes and remain committed to administering FNDF in an open and transparent manner that recognizes the long-standing collaborative relationship between the Government of Alberta and First Nations.

Len Webber
Minister of Aboriginal Relations

INTRODUCTION

The First Nations Development Fund (FNDF) Grant Program is an Alberta government lottery grant program available exclusively to First Nations in the province. It is supported by a portion of revenues from government-owned slot machines located in First Nations casinos in Alberta. First Nations in Alberta may apply to the FNDF Grant Program for social, economic and community development projects.

The FNDF is part of government's First Nations Gaming Policy. Both the Policy and FNDF are the result of a strong collaborative process, having been negotiated and approved jointly by First Nations and the Government of Alberta.

The Ministry of Aboriginal Relations has been administering the FNDF Grant Program since 2008. This reflects the Alberta government's commitment to encouraging healthy and vibrant First Nation communities.

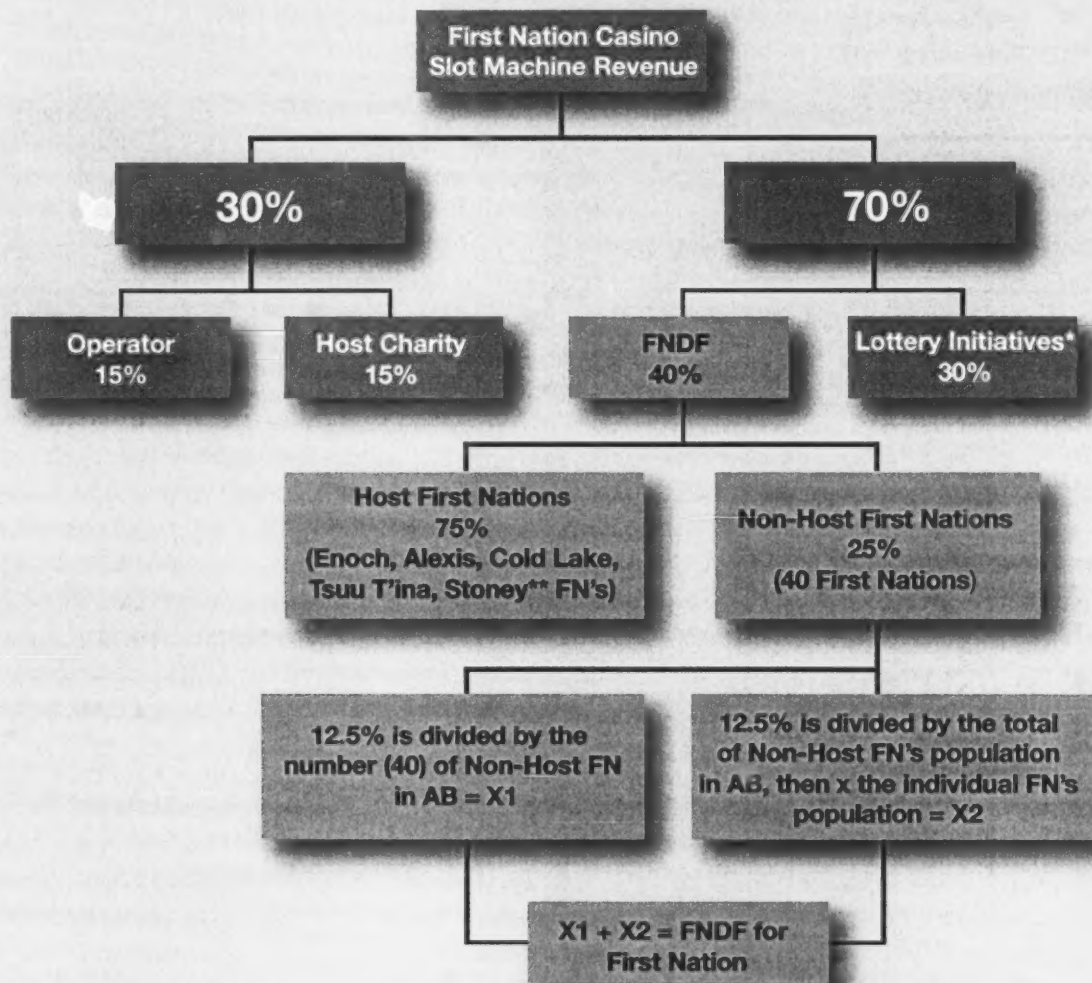
First Nations Casinos

The five First Nation casinos in operation in Alberta are:

- River Cree Resort and Casino at Enoch Cree Nation
- Grey Eagle Casino at Tsuu T'ina Nation
- Eagle River Casino at Alexis Nakota Sioux Nation
- Casino Dene at Cold Lake First Nations
- Stoney Nakoda Resort at Stoney Nakoda Nation

FNDF is supported by a portion of revenues from government-owned slot machines located in First Nations casinos in Alberta.

Allocation Formula for Grant Funding



* Alberta Lottery Fund supports a variety of programs and services in communities throughout Alberta, such as Fetal Alcohol Spectrum Disorder initiatives, the Alberta Foundation for the Arts, Alberta Historical Resources Foundation and the Community Initiatives Program.

** The three Stoney tribes – Chiniki, Bears paw and Wesley – are considered one Host First Nation.

How it Works: FNDF Grant Agreement

How revenue is shared – funding formulas

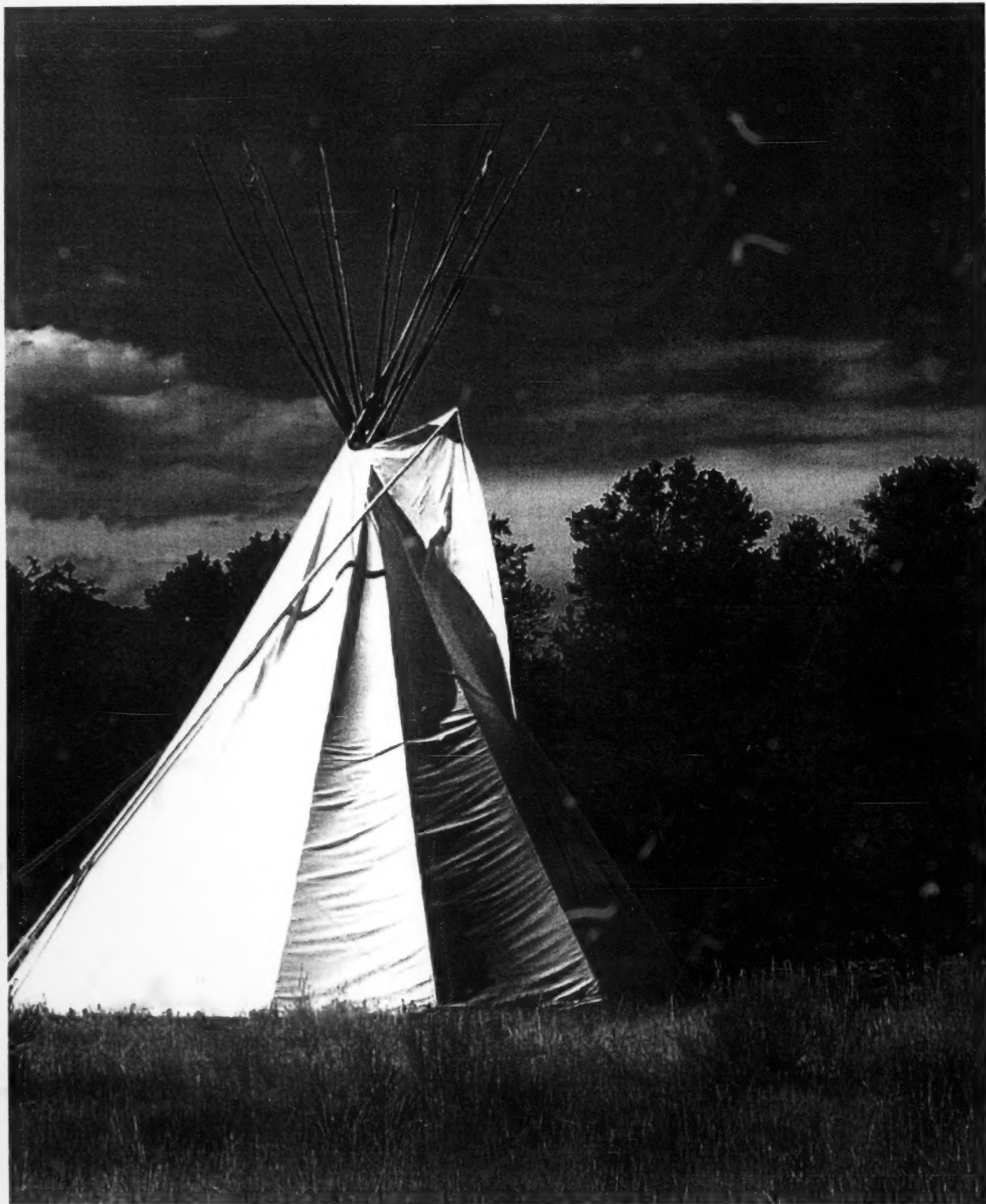
In order to receive funding from the FNDF Grant Program, First Nations sign an FNDF Grant Agreement. The Agreement includes formulas for sharing the grant funding among all Alberta First Nations and covering administration costs from the FNDF Grant Program, as illustrated on page 4.

- The FNDF Grant Program receives 40 per cent of the net revenue from government-owned slot machines in First Nation casinos in Alberta.
- Of this 40 per cent, 75 per cent is available to the five host First Nations who have casinos, and 25 percent is shared among the other First Nations in Alberta.
- Of the 25 per cent going to First Nations that do not have casinos, half is divided equally among 40 First Nations; and the other half is divided according to First Nation population figures.

Quarterly payments

The Alberta government does not have FNDF funds at the start of the fiscal year. The funds become available as government receives the funds from the casinos. Once the slot machine revenues have been verified by the Alberta Gaming and Liquor Commission, funds are allocated to the FNDF Grant Program. Payments are made soon after the conclusion of each quarter (approximately July, October, January, April). Quarterly payments, rather than monthly ones, are consistent with the FNDF Grant Agreement and minimize administrative costs.

Projects can be approved for funding over multiple fiscal years, but the funding only flows as the money becomes available. For example, a \$3 million housing project may be approved for \$3 million, but it may take some time to fully pay out (multiple fiscal years), depending on the First Nation's allocation.



ACCOUNTABILITY

Just like any other grant program, FNDF includes accountability measures, which are included in the FNDF Grant Agreement:

- FNDF grants can only be used by First Nations for economic, social and community development projects.
- FNDF grants cannot be used for operating or financing costs of a casino or other gaming facility/equipment, or for per capita distributions, or for security against loans or debt.
- Every grant application must include a Band Council Resolution.
- The use of FNDF grants must be reported annually by the First Nations.
- The Government of Alberta or the Auditor General of Alberta has the ability to conduct audits to ensure compliance with the Agreement and First Nations Gaming Policy.
- The Government of Alberta has the ability to suspend the Agreement and discontinue FNDF grants for non-compliance.
- While the Minister retains authority for final decision-making, there is a process for dispute resolution.

The Ministry of Aboriginal Relations, on behalf of the Government of Alberta, audits FNDF grants to support the accountability and transparency of the grants. Audits ensure that the funds are utilized only on approved projects, and are consistent with the FNDF Grant Agreement.

The FNDF auditors are also available to assist and advise First Nations on how to meet financial compliance requirements.

FNDF audits have found that:

- Several First Nations have initiated their own internal controls over FNDF funds.
- Many First Nations have done an excellent job in accounting for cash payouts for various events and activities.

SUPPORTING A DIVERSITY OF COMMUNITY PROJECTS

*Since its inception, FNDF has paid out over \$276 million
in grants to First Nations in Alberta.*

In 2009/2010, the FNDF Grant Program paid over \$104 million to First Nations to support 233 community-based and community-designed projects including:

- Land use planning
- Improving on-reserve infrastructure
- Culturally-based community centres
- Schools
- Housing
- Projects engaging youth and supporting elders
- Support for First Nation-owned businesses to improve employment and economic opportunities.



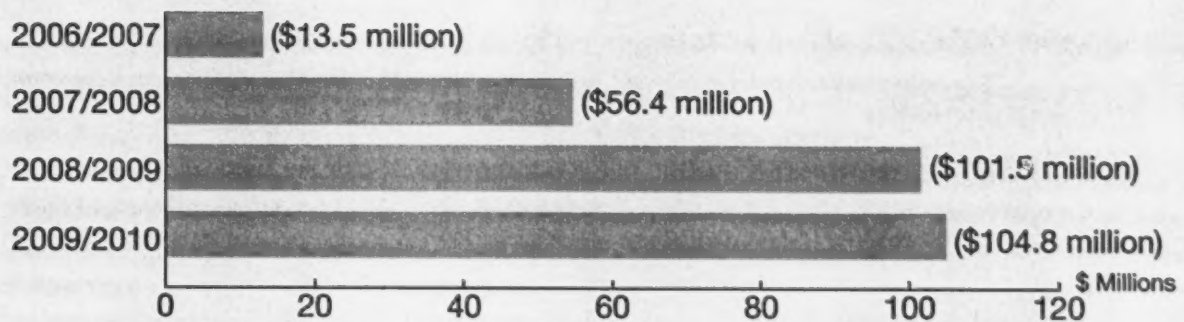
Low administration costs

Aboriginal Relations incurs costs in the administration of the FNDF Grant Program. In 2009/2010, approximately \$733,000 in administrative expenses were charged to the FNDF Grant Program, representing less than one per cent (0.69 per cent) of the total FNDF Grant Program funds. This includes salaries, benefits, travel, and any special supplies for the FNDF Grant Program staff members. The Government of Alberta absorbs other costs in the administration of the FNDF Grant Program, including daily office supplies, office space, utilities, computers and information technology services, human resource and finance/accounting services, salaries of senior management and ministerial oversight.

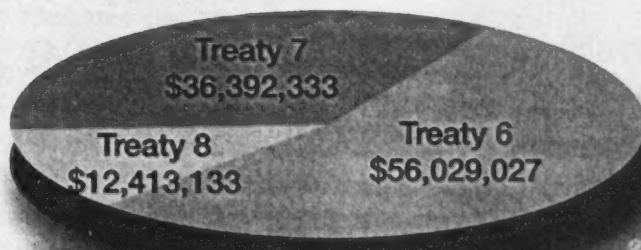
Since its inception, the FNDF Grant Program has approved over 570 projects. For a complete listing of FNDF grants paid:

- Visit www.albertalotteryfund.ca
- Click on "Who Benefits – searchable database"
- Under "Agency" select "First Nations Development Fund"

FNDF Fiscal Year Grant Funding



FNDF Grant Program Funding by Treaty Area 2009/2010



Of the five First Nation casinos, three are operated by First Nations in Treaty 6, and two are operated by First Nations in Treaty 7. As 75% of the FNDF Grant Program funds are allocated back to the First Nations with casinos, more funding flows to Treaty 6 and Treaty 7 First Nations.

Treaty 6 - Signed in 1876 - covers central Alberta and Saskatchewan and includes 17 Alberta First Nations.

Treaty 7 - Signed in 1877 - covers southern Alberta and includes 7 Alberta First Nations.

Treaty 8 - Signed in 1899 - covers portions of northern Alberta, British Columbia, Saskatchewan and Northwest Territories and includes 24 Alberta First Nations.

GRANTS BY FIRST NATION

First Nation	Funding Paid* 2009/2010	First Nation	Funding Paid* 2009/2010
Alexander First Nation	\$ 606,472	Loon River First Nation	\$ 407,963
Alexis Nakota Sioux Nation	4,856,963	Louis Bull Tribe	619,993
Athabasca Chipewyan First Nation	466,654	Mikisew Cree First Nation	713,154
Beaver First Nation	459,819	Montana Cree Nation	468,586
Beaver Lake Cree Nation	473,043	O'Chiese First Nation	484,633
Bigstone Cree Nation	1,394,262	Paul First Nation	606,769
Blood Tribe	1,899,150	Piikani Nation	853,120
Chipewyan Prairie First Nation	439,315	Saddle Lake First Nation	1,309,421
Cold Lake First Nations	4,339,907	Samson Cree Nation	1,380,741
Dene Tha' First Nation	728,458	Sawridge First Nation	392,511
Driftpile First Nation	683,586	Siksika Nation	1,284,905
Duncan's First Nation	369,778	Smith's Landing First Nation	382,556
Enoch Cree Nation #440	37,073,841	Stoney Nakoda Nation	3,434,944
Ermineskin Tribe	902,153	Sturgeon Lake Cree Nation	733,212
Fort McKay First Nation	432,480	Sucker Creek First Nation	689,827
Fort McMurray #468 First Nation	425,942	Sunchild First Nation	516,876
Frog Lake First Nation	716,126	Swan River First Nation	499,640
Heart Lake First Nation	380,178	Tallcree First Nation	226,995
Horse Lake First Nation	470,369	Tsuu T'ina Nation	28,920,214
Kapawe'no First Nation	383,002	Whitefish (Goodfish) First Nation	689,381
Kehewin Cree Nation	603,946	Whitefish Lake First Nation	652,384
Little Red River Cree Nation	980,902	Woodland Cree First Nation	480,324
Total		\$ 104,834,493	

* All FNDF grant expenditures are reported on the accrual basis of accounting.

COMMUNITY OUTREACH

Aboriginal Relations hosted the first-ever community workshops on FNDF in October 2009 and May 2010.



FNDF staff are in regular contact with First Nations, providing information, advice and assistance on all aspects of the Grant Program, including:

- Using FNDF within the terms of the Grant Agreement
- Identifying community priorities
- Completing funding applications
- Reporting, auditing and other requirements
- Community planning/development



Aboriginal Relations hosted the first-ever community workshops on FNDF in October 2009 and May 2010. All First Nations were invited to attend. Based on feedback from participants, FNDF workshops will be held annually.

SUCCESS STORY

Kainai Peacemaking Centre



Northwest aerial view of Kainai Peacemaking Centre slated for construction in 2011-12. (Schematic Design Report - Kasian Architecture)

The Kainai Peacemaking Centre will be located at Standoff with views to Chief Mountain in the west and Belly Butte in the east. The building design and colours – red, black, blue and yellow – reflect traditional Kainai values, traditions and symbols.

The FNDF Grant Program supports several economic and community development projects for the Blood Tribe, which is located 40 kilometres south of Lethbridge and has approximately 10,700 members. Specific projects include:

- Architectural and design costs for the Kainai Peacemaking Centre, a new justice facility to meet a diversity of needs within the Blood Tribe's justice system
- Support for community youth programs
- Support for the Blood Tribe Agricultural Project

The Kainai Peacemaking process will offer a traditional peacemaking process as well as a more generic restorative justice process to accommodate the diversity of needs within the community.

The Kainai Peacemaking Centre (KPC) will provide a contemporary court facility within the Blood community that includes a culturally relevant restorative justice program, an Appeals Tribunal and a provincial circuit court. The KPC will address matters arising from tribal legislation, policy and service delivery. It will also meet the needs of Blood Tribe members with criminal, youth, family and civil matters.

An important feature of the new building will be a peacemaking room and mediation rooms.

The Peacemaking Centre will replace the Cardston court for members of the Blood Tribe.

"Peacemaking is an important tradition for the Blood people. It is how we work together through some very difficult situations related to justice in our community.

Peacemaking helps bring people together and it respects our culture. The Peacemaking Centre is going to make a big difference in our community. It's going to really help our youth."

-Chief Charles Weaselhead

Blood Tribe Peacemaking Core Values

Sapaatsima'pii - Harmony

Kimapiiyipitssini - Compassion

Ikinapitapiissinii - Being Kind and Peaceful

Inakootsiyssini - Respect

Aahsapssini - Generosity

Makamoo'tsitapiyssini - Truthfulness

Ikitapiiyssini - Courage

Sao'ohkoomaimohsini - Achievement

Atsimmi'takssini - A Sense of the Sacred

Ksinnatsiyssini - Thankfulness

Kimatskasinii - Humility

Mokakssini - Wisdom

Niita'pitapii - A Real Person (Matsowa'pitapii)

Aahkowitzapiyssini - Collectivity, The Tribe

SUCCESS STORY

Piikani Nation Buffalo Skull Lodge

The Chief's dream is now a reality. The Buffalo Skull Lodge officially opened to the public on March 31, 2010.

The Piikani Nation is located 60 kilometres west of Lethbridge, midway between the towns of Fort Macleod and Pincher Creek. The village of Brocket is located on the reserve along Highway #3.

Through support from the FNDF Grant Program, approximately 3,500 members of Piikani First Nation now have a meeting place and resource centre that helps

meet a vital community goal: enhancing and protecting Piikani-Blackfoot culture, language, spirituality and history.

The Buffalo Skull Lodge will offer services beyond the current Traditional Use Studies to include Piikani Nation governance and traditional knowledge. This significant building will enable the Piikani Nation to move forward in its Vision:

"To enhance, preserve and protect our Piikani-Blackfoot culture, customs, songs and history that includes values that encompass altogether: Wind, Land, Water, Sun, Plants and Animals."



Evan Berger, MLA Livingstone-Macleod and Chief Reg Crowshoe

"The Lodge is an important gathering place for our entire community. It will help preserve our ancient traditions and culture and teach young people about the Piikani-Blackfoot ways. We worked very hard to build this Lodge. It is a dream come true."

-Chief Reg Crowshoe



Since opening, the facility has become an important working and gathering place for Piikani members. It supports the governance functions of the First Nation by including Band Council and boardroom spaces. There is also room to build a Piikani archives collection.



SUCCESS STORY

Paving the Way in Cold Lake First Nations

As with any community, accessible roads are vital for the safe and efficient movement of people, goods and services. By creating better access, roads can lead to an enhanced quality of life and also create new opportunities for economic growth.

Cold Lake First Nations is located 300 kilometres northeast of Edmonton and has over 2000 members. With funding from FNDF, Cold Lake First Nations (CLFN) paved the roads leading into their administration and business centre.

Unlike cities and towns, people who live in Cold Lake First Nations are spread out over a much larger land area. Thanks to the new roads, people living throughout the First Nation can make the trip to the administration centre.

The administration centre is an important resource for First Nations members. It is the hub of business operations and where people go to obtain important information about community programs and services. The centre also serves as the meeting place of the Chief and Council and is home to the Band Office.

The paved roads also benefit those coming to the First Nation from outside the community. Potential business partners and others can now travel to the First Nation more safely and easily.

Creating synergy

With the province of Alberta already paving the main road – at the time creating a synergy – the First Nation proceeded to pave the arterial roads leading off the main roads. This capitalized on the benefits of one continuous paving project as opposed to a piecemeal one.



Preparing the ground for road construction

No more muddy roads

"A paved road gives everyone better access to our administration building and business centre. It helps our community and the people we do business with. We paved our smaller roads right after the Alberta government paved the main road. It worked out really well – no more muddy roads!"

-Chief Walter Janvier

SUCCESS STORY

A Place to Call Home in Kapawe'no First Nation



Kapawe'no First Nation is located 30 kilometres northeast of High Prairie and has over 300 members. With the support of the FNDF Grant Program, the tight-knit community will provide ten families with a warm, safe place to call home.

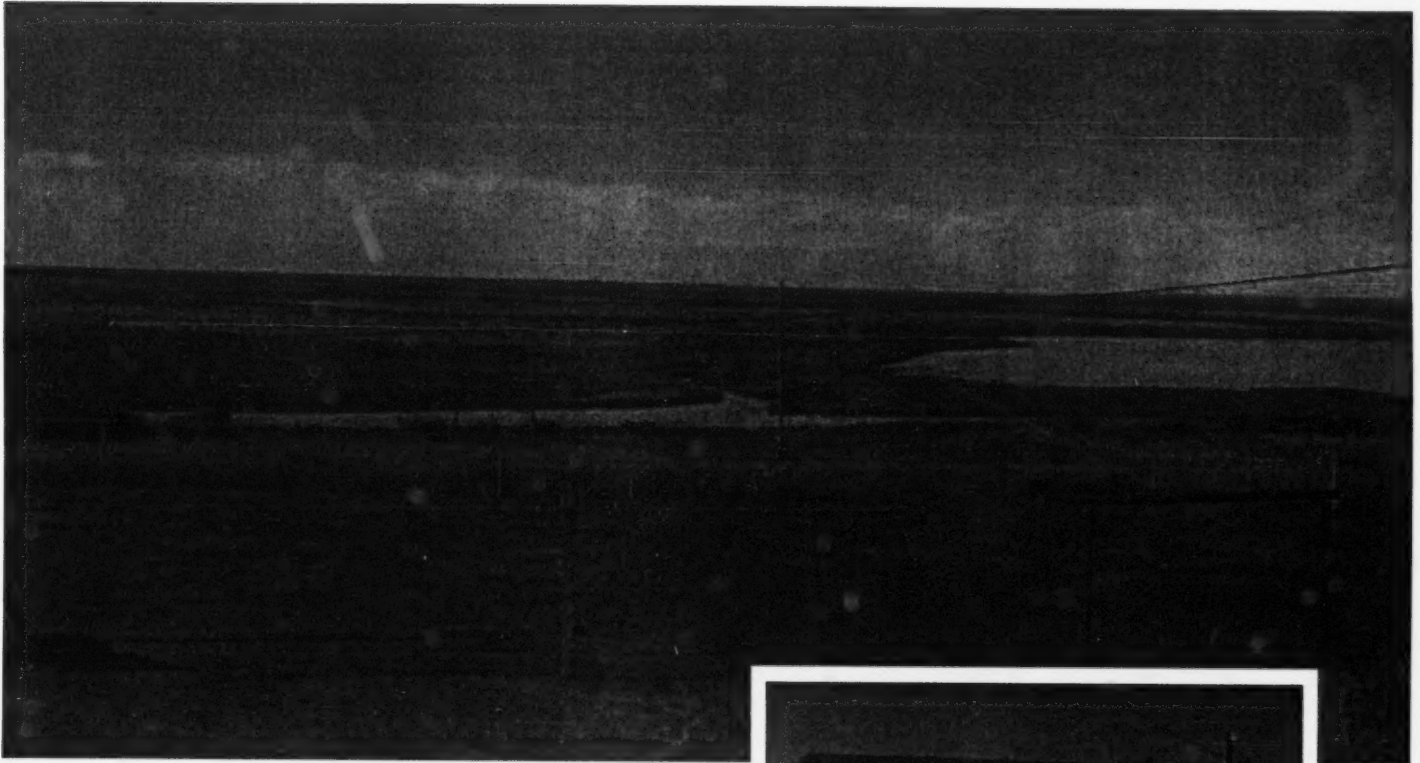
Chief Frank Halcrow recognized that several houses and trailers in his community were in dire need of repair. The water damage, mold and structural issues that plagued its residents meant that several homes required extensive renovations. While the community was able to secure some funding and begin work on the renovations, they found themselves about \$135,000 short.



The FNDF provided the additional funding needed to complete the repairs. Over the next two years, the First Nations community will keep working to ensure its residences are safe and comfortable.

*"It's important that the community works together.
We want every member of the Kapawe'no First
Nation to have a healthy place that they are proud to
call home."*

-Chief Frank Halcrow



SUCCESS STORY

O'Chiese Truck Stop – Supporting Economic and Employment Growth

O'Chiese First Nation has over 1,100 members and is 46 kilometres northwest of Rocky Mountain House. Thanks to support from FNDF and other partners – along with a strong commitment and vision within the community – a truck stop is now under construction.

The new business venture has generated excitement and optimism within the community. The Truck Stop project is proposal driven so seeking funding to get the project to a certain point has been a challenging endeavour. The First Nation has undertaken a great deal of planning, including proposal-writing and meeting with government, lawyers and technical experts.



Construction began on the O'Chiese Truck Stop in 2009. Final completion is set for fall 2010.

"The community is looking forward to having a successful and profitable commercial operation, which is expected to provide new training and employment opportunities for over 20 members of O'Chiese First Nation.

Our commitment to the project is demonstrated in working through the ups and downs together; each portion of this project is growing and soon all the pieces will meld together. Our common target is seeing this project through till opening day! We are appreciative to have the FNDF assist with our project; it has been a real benefit."

**-Tania Daychief,
Truck Stop Project Manager**

The O'Chiese Truck Stop will provide services to the tourism, oil and gas, construction and forestry industries. Once complete, the facility will include a truck stop convenience store, café, commercial fueling station, RV facility, tire shop and market area.

The community has been patient and supportive. They ask questions at community meetings and offer suggestions. There is a definite interest and a need for more employment opportunities. The First Nation Chief and Council have been encouraging and join the planning group at meetings. Their presence has helped the project team stay determined and to overcome hurdles.



Laying the groundwork

Before construction could begin, the First Nation had to complete a great deal of preliminary work, including:

- Writing a business plan
- Incorporating the business
- Surveys and studies
- Geotechnical survey
- Topographical survey
- Environmental Assessment Impact Study
- Land Surveys: Natural Resources Canada
- Land appraisals
- Feasibility Study: Business Development Canada
- Land Designation: obtained land designation through a lengthy referendum process.
- Referendum - Hold and pass a community referendum
- Proposal writing, presentations, and meetings (ongoing)
- Hiring the architect and engineer
- Water well drilling
- Dealings with two counties: obtain County Road Access Approval, signage consent, highway intersection turning lanes
- Fuel negotiations
- Consulting lawyers about land designation, Head Lease, incorporating, by-laws, contracts, MOU's, etc.

SUCCESS STORY

Hope and Opportunity for the Next Generation in Smith's Landing First Nation



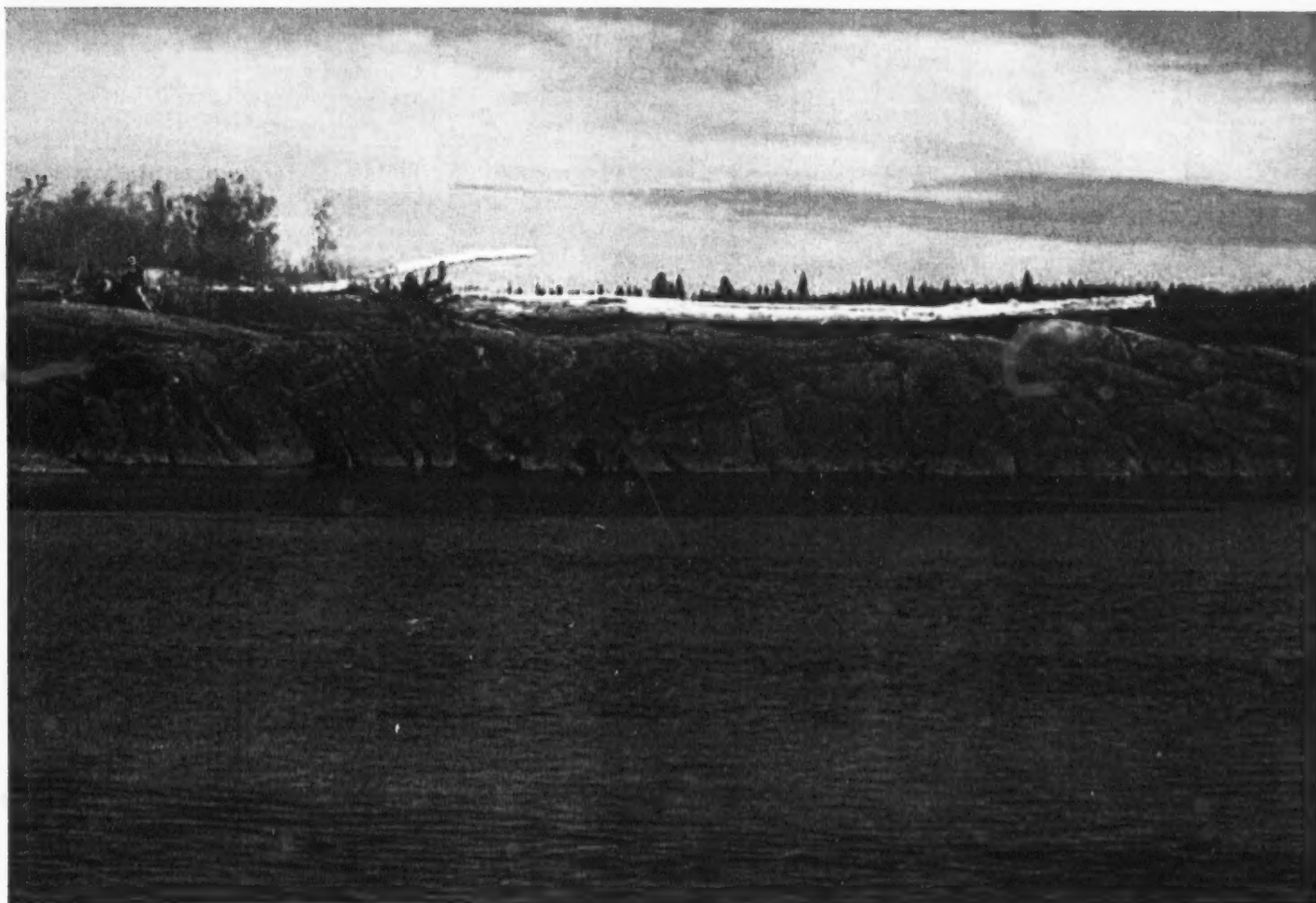
Finance Officer Christine Seabrook has been working with Smith's Landing First Nation for about five years.

Smith's Landing First Nation has a population of over 300 people and is located at the northeastern tip of Alberta, bordering on the Northwest Territories. With FNDF funding, the First Nation is building a strong, self-sufficient community where young members can learn new skills, get important work experience and make a contribution.

Smith's Landing used some creative thinking to take a relatively small investment and build both individual and community capacity. Christine Seabrook has become a positive role model for other young people. Her training is part of a larger plan to build capacity within the community.

The First Nation used FNDF funding to hire a part-time certified accountant to train and mentor its Finance Officer. Christine Seabrook, an Aboriginal employee, has been working with the First Nation for approximately five years. Her job is to ensure the First Nation's financial reporting is up-to-date and accurate. Not only has training enabled Christine to live and work in her home community and feel more confident in her future; she is taking on a new leadership and advisory role.

With ongoing guidance from a trained accountant, Christine continues to develop her administrative and financial management skills.



The First Nation had set up a new accounting system to enable it to separate governance from business. However, they did not have a full-time accountant on staff and decided to train a community member to learn and understand the importance of good book-keeping methods for accountability.

"We have been recognized for our accountability and for what we have achieved through proposal-driven programs like FNDF. We're proud of what we're doing in so many areas – not one person here is on social assistance. Other First Nations now ask Smith's Landing for advice on best practices."

-Chief Cheyeanne Paulette

HOW TO APPLY FOR FNDF GRANTS

Recognized Alberta First Nation Band Councils are eligible to apply to the FNDF Grant Program. The criteria for taking part in the fund were determined in consultation with First Nations in the province.

Grant applications must include:

1. Completed and signed application
2. Detailed project description
3. Detailed project funding/budget information
4. Band Council Resolution



To obtain a copy of the application and FNDF Grant Program Agreement, or for further assistance, contact:

Alberta Aboriginal Relations
19th Floor Commerce Place
10155 – 102 St.
Edmonton, Alberta T5J 4G8
Phone: 780-427-8407
Fax: 780-427-4019

The FNDF Grant Program application form is also available online:

- Visit www.aboriginal.alberta.ca
- Click on First Nations Relations
- Click on First Nations Development Fund Grant Program.

To call toll-free from anywhere in Alberta, dial 310-0000.

Alberta Aboriginal Relations

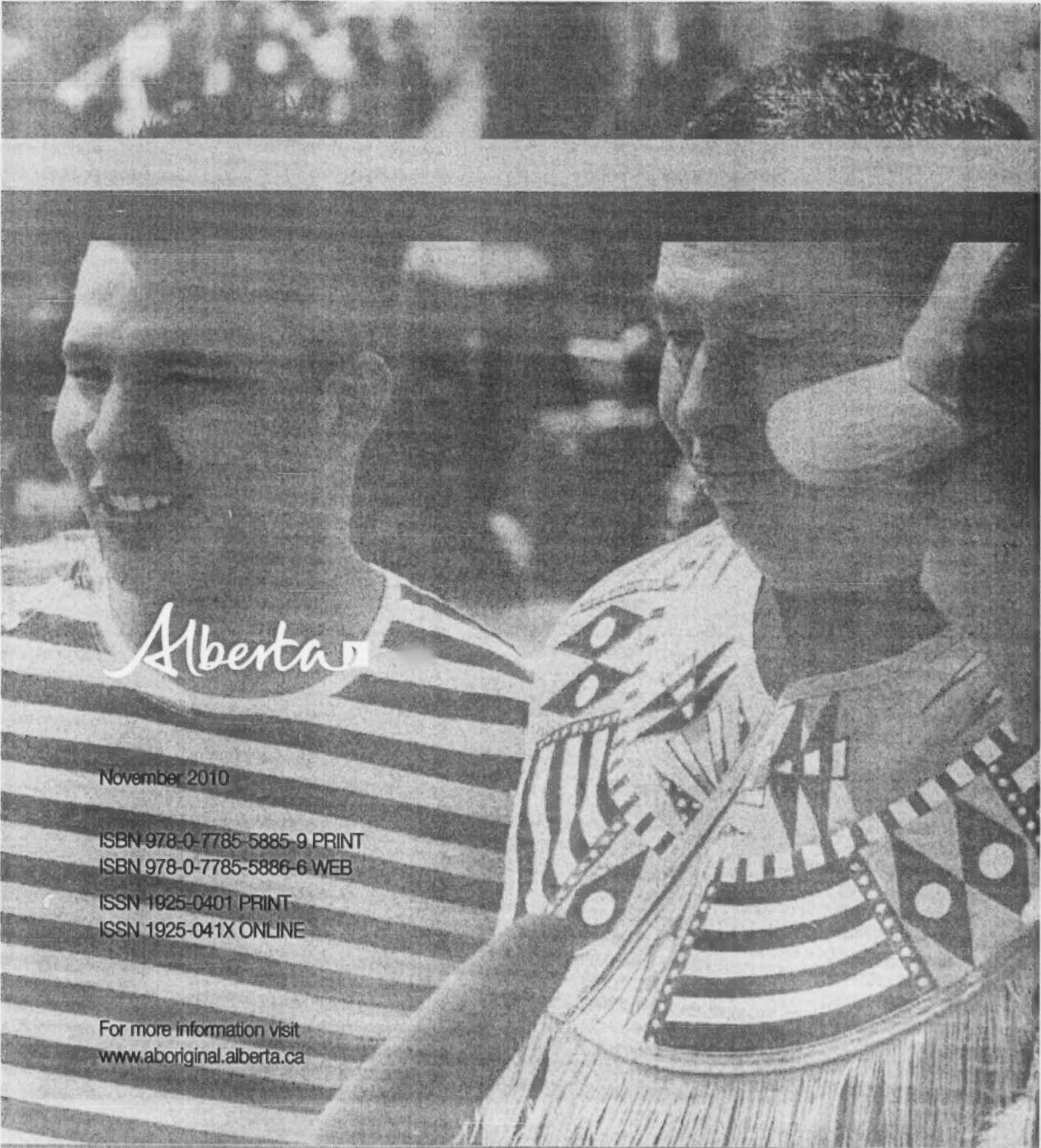
Alberta Aboriginal Relations works with Aboriginal communities and other partners to enhance social and economic opportunities for Aboriginal people in Alberta.

Vision

Strong and vibrant Aboriginal communities and people, fully participating in the opportunities of a prosperous and diverse Alberta.

Mission

Oversee the development and alignment of Government of Alberta legislation, policies and initiatives that affect Aboriginal people and their rights, by building effective relationships with Aboriginal communities, industry and governments.



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